



MEMORANDUM

TO: Mayor and Council Members

FROM: Ed Van Eenoo, Deputy Chief Financial Officer *EV*

DATE: December 3, 2015

SUBJECT: Response to Resolution No. 20151119-064

Resolution No. 20151119-094 directed the City Manager to provide a memo to Council detailing potential funding sources to meet public safety needs downtown during South by Southwest as well as throughout the City during the 2016 Spring Festival Season (March 10-20).

Last year, the Austin Police Department (APD) reassigned more than 15,000 hours of on-duty law enforcement personnel from various police units (primarily detectives, district representatives, and officers from the special response team) to the downtown area in order to meet the increased public safety demands during the 2015 Spring Festival Season. In order to meet the public safety needs of next year's Spring Festival Season without reassigning officers from their existing duties, APD financial staff estimate that an additional \$1.5 million in overtime expenditures will be required. These figures are based upon prior year utilization of policing services. Fiscal Year 2016 actual costs could vary depending upon the size of this year's event as well as the number of officers that voluntarily sign up to work the event.

Staff has identified the following potential sources of funding for Council's consideration:

1. Business Retention and Enhancement Fund: This fund was established to provide low-interest loans to attract new businesses and assist existing businesses displaced by development on Congress Avenue and East 6th Street. These loans are intended to spur growth and reestablish Congress Avenue and East 6th Street as retail and urban entertainment district destinations. The FY 2016 approved budget for this fund is \$1 million. An additional \$3.5 million is available in the fund's ending balance.

2. Budget Stabilization Reserve Fund: The City's financial policies call for a Budget Stabilization Reserve (BSR) Fund to be maintained to provide financial stability for the General Fund during economic downturns through the capture of any excess revenue or unspent appropriations at the end of each fiscal year. Appropriations from this fund are limited by policy to 1/3 of the fund's ending balance annually. Financial staff are in the process of closing out the Fiscal Year 2015 financial books. Unaudited results will not be available until mid-January but in recent years the General Fund has ended the year with significant surpluses. Up to one-third of any surplus funds from FY 2015 could be allocated by the City Council within the criteria of the Council's approved financial policies.
3. Assessment of Event Fees and Reimbursements: South by Southwest is designated by resolution as one of 13 City cosponsored events. The City Council has annually elected to waive fees and costs associated with City cosponsored events. If Council were to elect to not waive fees and reimbursements for cosponsored events, then the resultant revenues could be used to offset the cost associated with supporting these events.

A contract amendment with the Austin Police Association addressing the issue of how police coverage is provided during the Spring Festival Season will be on the December 10th agenda for Council's consideration. If Council approves the contract amendment, staff will bring forward a related budget amendment at a subsequent Council meeting. Delaying the timing of the budget amendment to late January or early February will: (1) Provide Council with a broader range of funding options (i.e. staff will be able to make a recommendation in regards to the potential use of the BSR); (2) Allow the required amount of the budget amendment to be informed by any Council actions regarding the waiver of fees and costs associated with the event; and (3) Allow for a better cost estimate as there will be additional information on the number of officers whom voluntarily have elected to work the event.

xc: City Manager
Assistant City Managers
Chief of Staff
Chief Financial Officer